



SOUTHEASTERN WISCONSIN FOREIGN TRADE ZONE No. 41

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Feasibility Study – Determining if an FTZ Can Benefit Your Business



If you are trying to determine whether the Foreign Trade Zone program will benefit your company, you should evaluate the savings and costs by completing a feasibility study. The following, including the Analysis Calculator on the reverse side, is designed to be a general guideline. You may decide to hire an FTZ consultant to assist with a more comprehensive analysis while evaluating your potential participation in an FTZ program. (See list of consultants on our website www.milwaukee.gov/port)

When should a company consider the benefits of a Foreign Trade Zone?

- ▶ As part of reviewing your manufacturing, processing, or other operations
- ▶ If you are considering relocating or centralizing your distribution center to a new location
- ▶ When evaluating ways to reduce or eliminate import duties, customs fees and clearance processes
- ▶ If your imported products are later exported (Product exported must either be in the same condition or as part of finished product that is manufactured, kitted or assembled at the company's facility.)
- ▶ If you are seeking to make your supply chain more efficient

What should you do during a Feasibility Study?

- ▶ Establish the scope of your potential Foreign Trade Zone project
 - Location and suitability of the potential site
 - Operations and Logistics that may benefit from FTZ status
- ▶ Conduct a cost-benefit analysis
 - Merchandise Processing Fee Savings
 - Broker Fee Savings
 - Direct Delivery
 - Weekly Entry
- ▶ Determine economic development potential
- ▶ Check for product-specific limitations
 - Foreign Trade Zone Regulations
 - Custom Laws
- ▶ Consider in context with other trade agreements and customs programs
- ▶ Examine extent of local and state support as well as views of competitors

Costs Associated with a Foreign Trade Zone Program:

- ▶ FTZ Board Fees
- ▶ Application Fee
- ▶ Zone Grantee Annual Fees
- ▶ Consultant Costs
- ▶ FTZ Operator's Bond Costs
- ▶ Operational Costs
 - Inventory control
 - Recordkeeping needs and technology
 - Physical security

NOTE:

BASIC FTZ ANALYSIS CALCULATOR
WORK SHEET ON BACK SIDE